

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF RATES OF COLUMBIA GAS
OF KENTUCKY, INC.

) CASE NO.
) 10498

O R D E R

On April 24, 1989, Columbia Gas of Kentucky, Inc. ("Columbia") filed a Request for Clarification or Reconsideration of the Commission's April 20, 1989 Order which granted the motion of the Attorney General and the Lexington-Fayette Urban County Government ("AG/LFUCG") to compel the production of documents and extend the procedural schedule. After a review of Columbia's request and being otherwise sufficiently advised, the Commission finds that the Order of April 20, 1989 should be clarified to the extent and for the reasons set forth below.

With the exception of Set A, number 74 and Set B, number 21 of the AG's request, Columbia should be able to produce the information requested with relative ease by utilizing its existing data base, Compustat. The Commission has determined that all information requested subject the exception stated above, is relevant material and will aid the Commission and the parties in reaching a sound decision on Columbia's rate application.

The Commission does agree with Columbia that CR 26.02 and the cited cases support the argument that a "study" not in existence should not be the subject of discovery. However, "study" implies

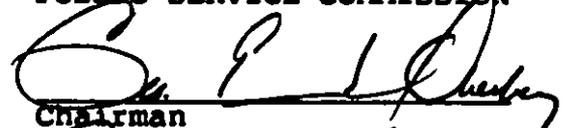
not only compilation and computation, but also the application of analytical thought to the information provided. The Commission, therefore, finds that items Set A, number 74, and Set B, number 21, as requiring "studies" to be performed, should be exempted from operation of the April 20, 1989 Order.

Further, the Commission finds that Columbia should be required to respond within the allotted time and in an appropriate manner to all remaining requests for information covered by the AG/LFUCG's motion and the Commission's Order of April 20, 1989. The Commission also reminds Columbia of its burden of proof to show the requested rate increase is needed. Information regarding the allocation and even existence of documentation with respect to certain matters Columbia proposes in its application is vital to proper consideration of this case.

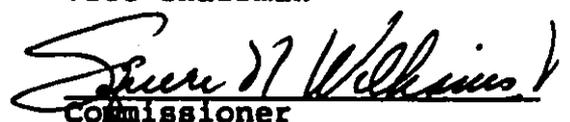
The Commission, therefore, ORDERS that Columbia shall comply with the Commission's April 20, 1989 Order with the exception of requests contained in Set A, number 74 and Set B, number 21 within the time shown in the revised procedural schedule.

Done at Frankfort, Kentucky, this 26th day of April, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director